

**2003
ANNUAL REPORT
CONSUMER SERVICES
DIVISION**



**Illinois Commerce
Commission**

ANNUAL REPORT
CONSUMER SERVICES DIVISION
2003

ILLINOIS COMMERCE COMMISSION

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A Message from the Director

The Consumer Services Division's (CSD) report provides highlights of Staff's service to consumers.

Our automated call distribution system connects callers to the member of our Staff best able to address the caller's issue, and expands our ability to serve consumers through recorded information about a number of utility topics. Recorded information is available to callers 24 hours a day, 7 days a week with the option to record a request that information be mailed to them about several of the topics. In 2003, approximately 170,000 consumers chose to use our voice response unit to access information. The CSD Staff is available from 8:30 a.m. to 5 p.m., Monday through Friday.

In 2003, our Staff answered more than 46,000 calls. Another 11,347 consumers contacted us through other sources such as email and by letter. Staff successfully worked with utilities to provide \$2.6 million to consumers in savings or avoided charges. Consumers have benefited greatly from the intervention of Staff and cooperation of utilities.

This report reviews utility performance in responding to their customers' concerns as presented to CSD Staff. It includes such information as a breakdown of the types of inquiries/complaints that were received and how they were resolved; approaches to resolving inquiries and complaints, resolution time and problems identified by investigating consumer complaints.

In addition to the number of consumers served along with the amount of money saved for consumers, we include information about the participation of Staff. CSD has participated in consumer education efforts, rulemakings, certification case, informal investigations into industry practices, and formal cases before the Commission. Increased CSD participation in agency rulemaking has been necessary to represent consumers' interest in a broad range of issues. CSD has led 6 rulemakings this past year as necessitated by changes in the law, FCC regulations, and needs to meet beneficial consumer interests.

As competition expands, high profile unresolved issues between utilities emerge. This has led to CSD involvement in complaint cases to represent the consumer point of view.

I hope this report will serve as a guide to understanding the utilities' performance, consumers' concerns and the ways in which the ICC's Consumer Services Division addresses these important matters.

Debi Barr-Holquist
Director

CONSUMER EDUCATION/COMPLAINT ACTIVITY

The Commission's Consumer Services Division (CSD) is the agency's principle contact with the utility consumers in the state. CSD is uniquely positioned to provide important information to the Commission. Our Staff consists of management; administrative support; consumer counselors, whose primary responsibility is to interface with consumers; and members involved in consumer programs, which includes consumer education, development of rules, carrier/supplier certification, and compliance issues.

CSD has continuing dialogs with consumers and utilities/service providers, allowing us to provide useful information to other divisions within the Commission and to the Commissioners concerning issues that develop. On an informal basis, CSD contacts regulated utilities when issues of compliance and potential problems are raised by trends identified through consumer contacts.

ADDRESSING COMPLAINTS

The role of Consumer Services as educator has increased as various components of the regulated utility industry have changed, particularly as competition develops. CSD responds to consumer questions about regulations, services, and products. Program Staff and Consumer Counselors reference laws, Commission orders, company tariffs, new services and products, marketing and consumer reactions on regulatory issues. CSD has the important responsibility of helping consumers understand choices.

In addition to education, a primary responsibility of CSD is to provide assistance to consumers in the resolution of informal complaints and disputes with regulated utilities and other entities. Informal complaints, as the designation implies, are those handled by Staff, not formally considered by the Commission, and which do not result in an order by the Commission. The formal complaint process, which requires Commission action, is available when complaints cannot be satisfactorily resolved through Staff intervention.

Following is a description of methods used by counselors in addressing complaints and inquiries.

3-Way Calling

This is a process which permits a direct interface with the company while the consumer is still on the phone. Certain problems and requests for assistance are well suited to this type of resolution. These include requests for payment arrangements, payment extensions, final notice prior to disconnection, repairs, medical certificates, and billing issues that can be resolved during the initial contact. This method increases efficiency and, in most cases, results in a high degree of customer satisfaction. In 2003, more than 9,600 complaints were handled in this manner.

Investigative Complaints

Using this method, counselors notify the company of an informal complaint filed by the customer. The company must investigate the complaint and typically contacts the customer during the investigation. The company is required to furnish a report of the outcome along with supporting documentation. The counselor reviews the report to ensure that the company's action complies with Commission rules. CSD Staff may call on other divisions to provide answers to technical questions, getting advice from engineers, economists, and financial experts. After the review, the counselor contacts the consumer with an explanation of the results.

Consumer Services Online

Through its e-mail address, CSD receives contacts from consumers concerned with a wide variety of non-emergency issues. Site instructions advise consumers with a service related emergency to contact CSD by telephone. Electronic access to CSD provides a useful alternative to traditional mail and the toll free telephone hotline. Our records indicate that 2,290 complaints were received by e-mail during 2003.

Company vs. Company

CSD has procedures to facilitate resolution of complaints between companies that are competitors. The changing environment in the utility industry and the advent of competition have signaled the need for a venue in which no-fault compromises can be achieved, benefiting both the parties involved in the dispute and the consumers they serve. Experience confirms that all parties benefit when a complaint can be resolved informally, avoiding the need for a formal complaint.

Textnet

This year, CSD joined several other state agencies in using Textnet to communicate with hearing-impaired citizens who contact our office. In the past, both TTY and the relay center enabled CSD Staff to assist these callers. Textnet makes it faster for callers to reach us and offers a means of communication, via an interactive computer application, which is both easier and quicker for Staff to use.

DISTRIBUTING CALLS, RECORDING, AND TRACKING DATA

The Consumer Services Division uses an Automated Call Distribution system (ACD) to connect callers to the member of our Staff best able to address the caller's issue, and offer options to callers. Callers can access recorded informational messages 24 hours a day, 7 days a week; those who want to speak to a counselor are informed of the average wait time; callers can leave a voice message asking for a return call or order printed informational material. Statistics including the number of callers waiting and how long callers have waited are available to counselors. Monitoring, tracking and reporting capabilities help management determine appropriate levels of staffing, facilitate scheduling, assist in training counselors and identifying the needs of consumers.

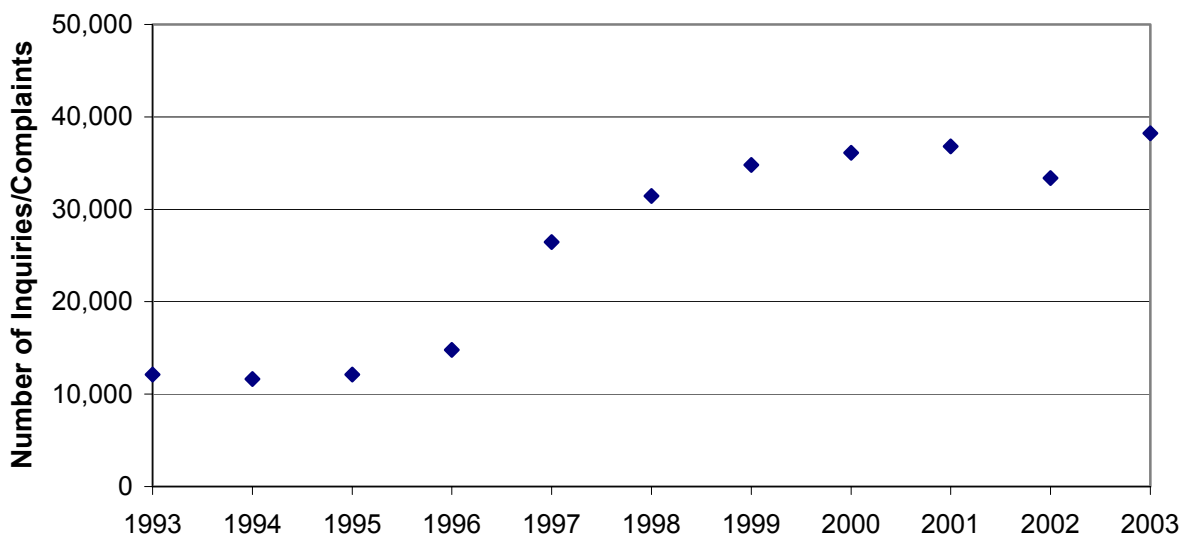
The ACD works with Consumer Services' Automated Complaint Tracking System (ACTS), a computerized complaint tracking system that provides an accurate and readily available record of consumer contacts. Using the ACTS, complaints are identified in such general categories as billing, credit and deposits, rates, service and termination; they are also identified in very specific terms. Our reporting capabilities allow flexibility in searching the records created in individual cases and compiling data. Reporting functions allow us to track information, identify problems, and analyze trends.

In 2004, CSD will be involved in a re-write of our Automated Complaint Tracking System (ACTS). Several benefits will result from this rewrite; for one, the current DOS program will become a Windows based application providing easier use and more functionality for CSD Staff. In addition, the new application will interface with a secure web site, providing a faster and easier exchange of consumer complaint information between CSD and the various regulated utilities. In 2004, CSD will be contacting major utilities to ensure a smooth transition. Our goal is a product that will allow us to provide better service to Illinois' utility customers.

INFORMAL INQUIRY/COMPLAINT DATA

Counselors record informal inquiries, complaints, and opinions from consumers. Consumer education inquiries are typically answered during the initial contact. Customer opinions are also recorded during the initial contact. Based upon the nature of the problem, the counselor determines if there is a need for investigation requiring contact with the company.

Inquiries/Complaints Received 1993-2003

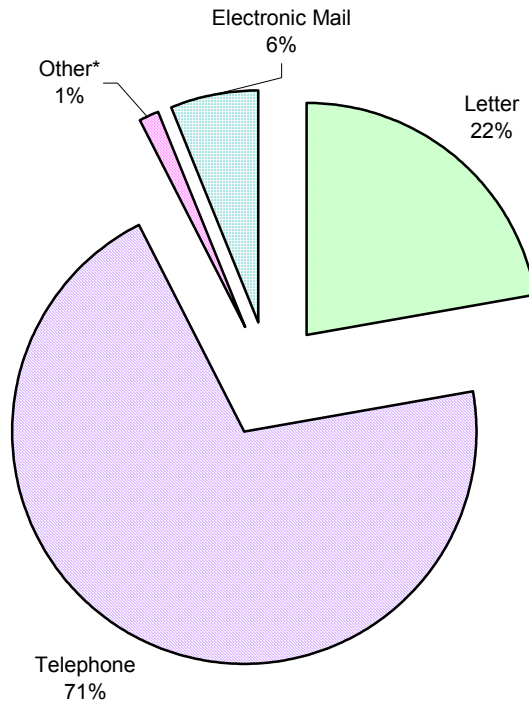


During 2003, CSD Staff recorded 38,227 contacts. The graph depicts the number of inquiries and complaints received from 1993 through 2003. The service provided by CSD is in demand as evidenced by the volume resulting from the consumers' need for information and assistance.

TELEPHONE SUMMARY

Total Calls: 222,462
Calls to IVR: 170,228
Calls Answered: 46,291
Number of Complaints/Inquiries: 38,227

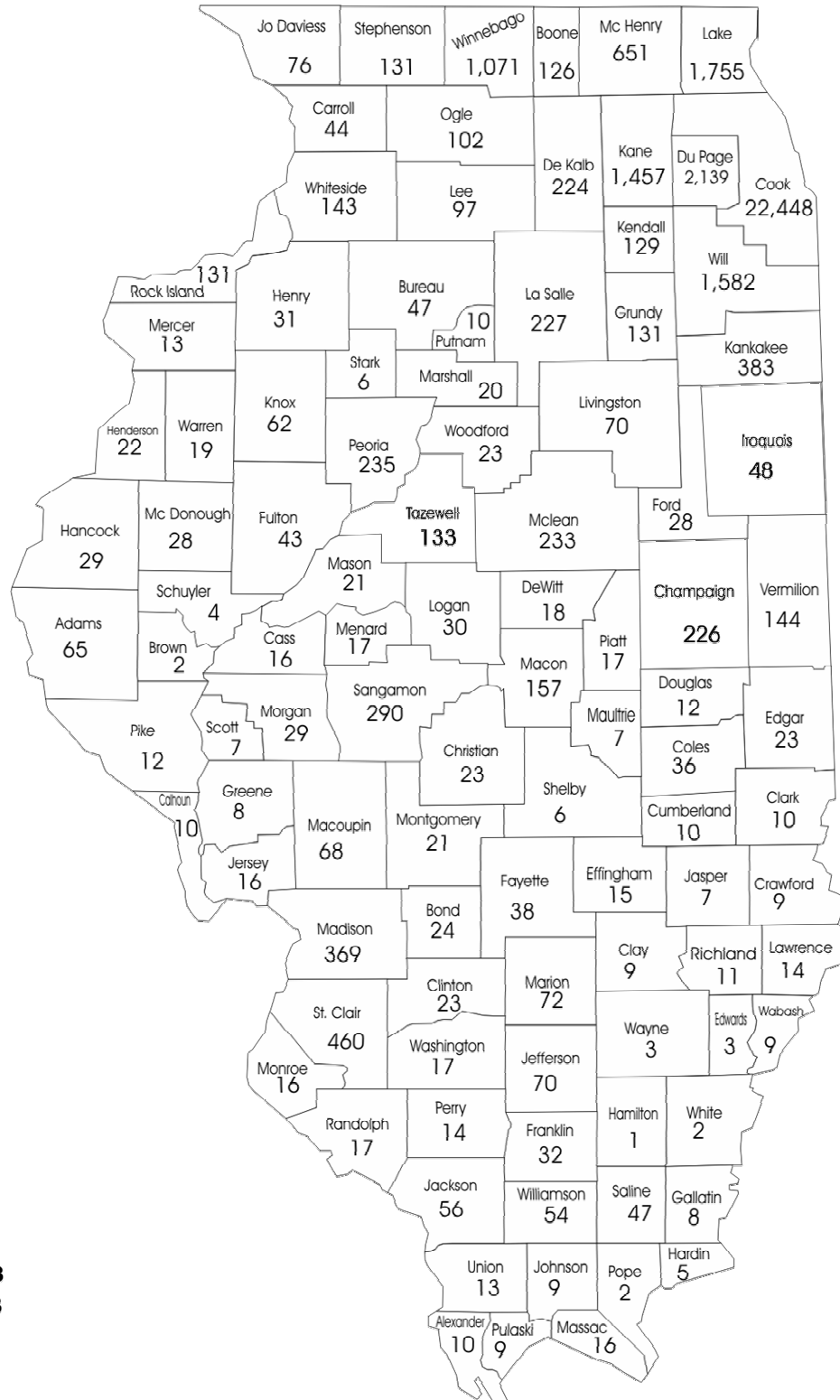
Origin of Inquiries/Complaints



*Contacts include those made via fax and teletypewriter.

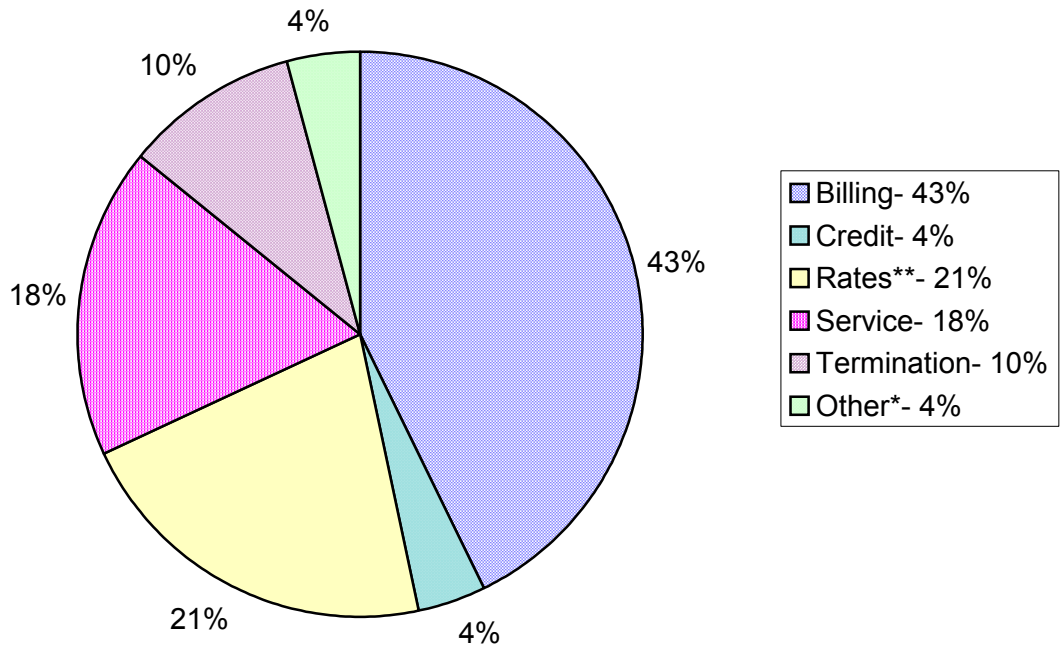
Most of the 38,227 cases recorded (71%) began with a telephone call to our toll-free number.

NUMBER OF CONTACTS BY COUNTY



Not Specified = 1,288
Out of State = 23

PROBLEM IDENTIFICATION



***Includes issue-oriented contacts**

The graph above represents the total number of inquiries/complaints that were opened during 2003, categorized by problem type. These categories include billing, credit/deposit, rates, service, termination, and other. This graph illustrates that 43% of the inquiries/complaints opened related to the consumer's bill. CSD opened significantly fewer inquiries or complaints in the other categories.

**Numbers for the rate category rose during 2003 in part due to a grassroots campaign by consumers expressing their concerns to CSD regarding the natural gas procurements of Peoples Energy and Nicor.

TOP 10 INQUIRIES/COMPLAINTS

REASON FOR CONTACT	NUMBER
Rate structure- general	6,585
Need payment arrangements	3,441
Accuracy of bill- responsibility for account	2,577
Seeking reconnection	2,512
Accuracy of bill- usage/consumption	1,665
Timeliness of performed service- reconnection/disconnection	1,572
Accuracy of bill- disputes rate class/plan	1,128
Deferred payment agreement	1,088
Timeliness of performed service- installation of new service/transfer	1,073
Other	997

Complaints and inquiries are categorized by these general problem types: billing, credit/deposit, rates, service, termination and other. At the time of closing, more specific codes are added. The Top 10 Inquiries/Complaints are listed in descending order beginning with the most frequently recorded issue. Charts showing the “Top 10” complaints by industry type can be found in the Energy section and Telecommunications section of this report.

MEANS OF RESOLVING INQUIRIES/COMPLAINTS

RESOLUTION CODE	NUMBER
Information or explanation provided	28,885
Company compromised to settle	3,532
Company agrees to correct mistake or error	2,945
Unable to reach complainant	864
Referral to other agency or division	530
ICC had no jurisdiction	356
Duplicate action by another counselor	210
Action initiated to correct problem	153
Miscellaneous (resolution by means not on list)	132
Formal hearing sought	120
Complaint dismissed; groundless	110
Company unresponsive	83
Meter tested; billing correct	81
CSD received carbon copy response	58
Customer withdraws complaint	39
Issue beyond time limit for complaint filing	37
Mediation sought	25
Pending long term utility action	14
Chronic complainant (same issue)	6
Company does not have a certificate	3
Repeated complaint (company fails to perform)	1
Total	38,184

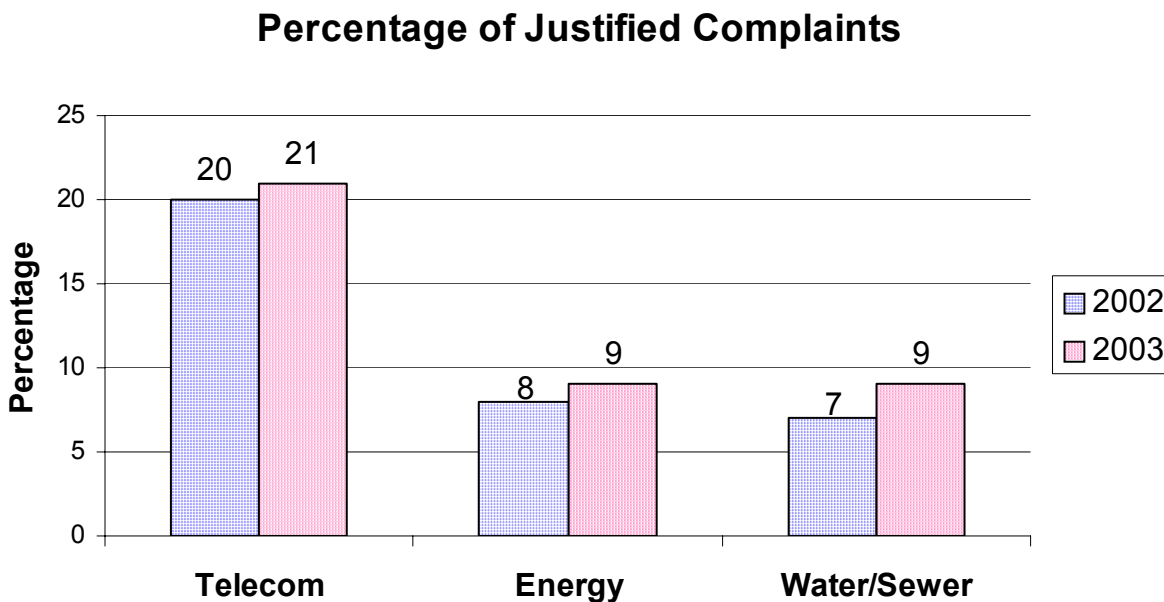
Staff successfully worked with utilities to provide nearly \$2.6 million to customers in savings or avoided charges.

During the calendar year 2003, CSD closed 38,184 inquiries/complaints. Although most of these cases were opened and closed during 2003, some were opened in 2002. After utilities research and reply to investigative complaints, CSD must review the response

and contact the consumer with the outcome. This explains why investigative complaints opened late in the year are often closed during the following year. The table on the previous page shows the number of cases closed in 2003 by resolution category.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. Cases that are evaluated are those in which contact with the company is initiated and include 3-way and investigative cases. The graph below compares justified complaints to the total number of 3-way and investigative cases. The comparison is made by industry type and by year.



MEDIATION

By law mediation is available to consumers to resolve telecommunication disputes. Effective July 1, 2001, residential consumers or business consumers with fewer than 20 lines have the right to request mediation when they have been unable to reach resolution through the informal complaint process. Telecommunication carriers are required to participate in mediation. The process must be completed within 45 days. If the parties are unable to reach agreement or after 45 days, whichever comes first, the consumer may file a formal complaint with the Commission. In 25 cases, consumers expressed an interest in pursuing their complaints through mediation; Staff notified the Commission's Chief Clerk to send a letter informing the consumer how to proceed.

FORMAL COMPLAINTS

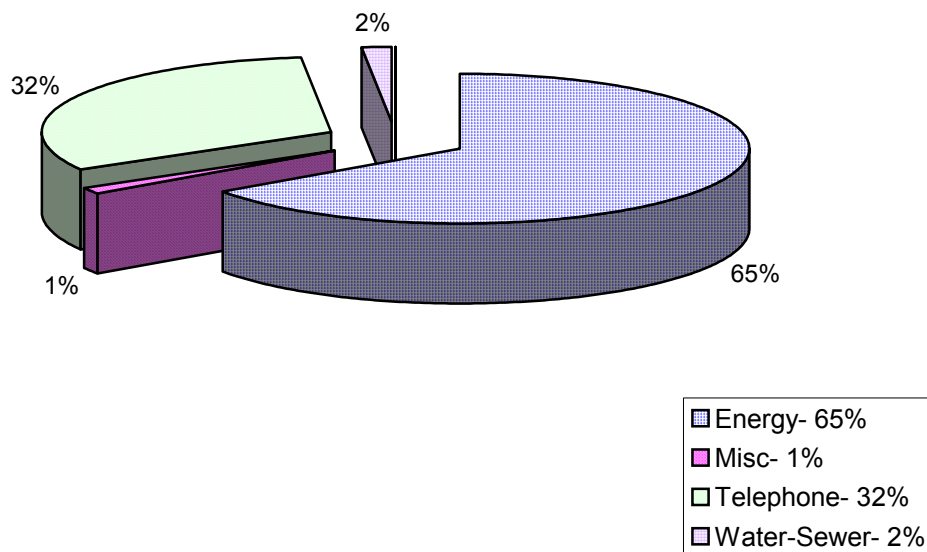
If a resolution is not reached through the informal process (including mediation), the consumer may file for a formal hearing. After the fully completed and notarized forms are submitted to the Commission, a hearing is scheduled. An Administrative Law Judge presides over the case, which is similar to a court proceeding, considers testimony presented, reviews evidence, and makes a recommendation to the Commission which renders a decision.

The Consumer Services Division makes every effort to achieve resolution of disputes between consumers and utilities in the informal process. Of the 38,184 contacts from consumers closed during 2003, 120 consumers requested formal complaint forms and 47 formal hearings were actually docketed. Of the docketed cases, 26 were dismissed by the Commission; 19 are still pending; and the consumer request was denied in two cases.

REVIEW OF INQUIRIES/COMPLAINTS DATA

This section addresses and highlights trends in the numbers and types of inquiries and complaints for each industry. CSD categorizes the inquiries/complaints it receives according to the following industries: telephone, energy, water/sewer and miscellaneous.

2003 Inquiries/Complaints by Utility Type

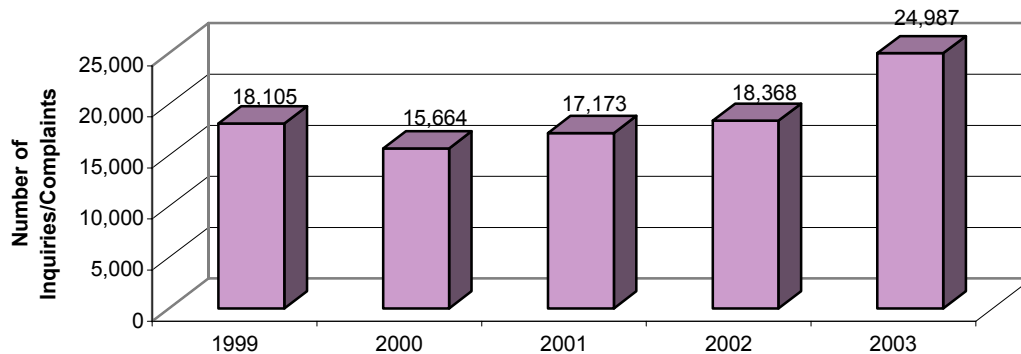


Combining gas and electric cases results in 65% of the total inquiries/complaints attributed to the energy industry. Telephone inquiries/complaints comprise 32% of the total number received during 2003. The miscellaneous category includes companies that were not specified and contacts that included more than one type of utility. The water and sewer industry accounts for 2% of the inquiries/complaints. The percentage of energy complaints increased from 55% to 65% and there was a corresponding decline in telecommunications contacts from 42% to 32%.

ENERGY INDUSTRY

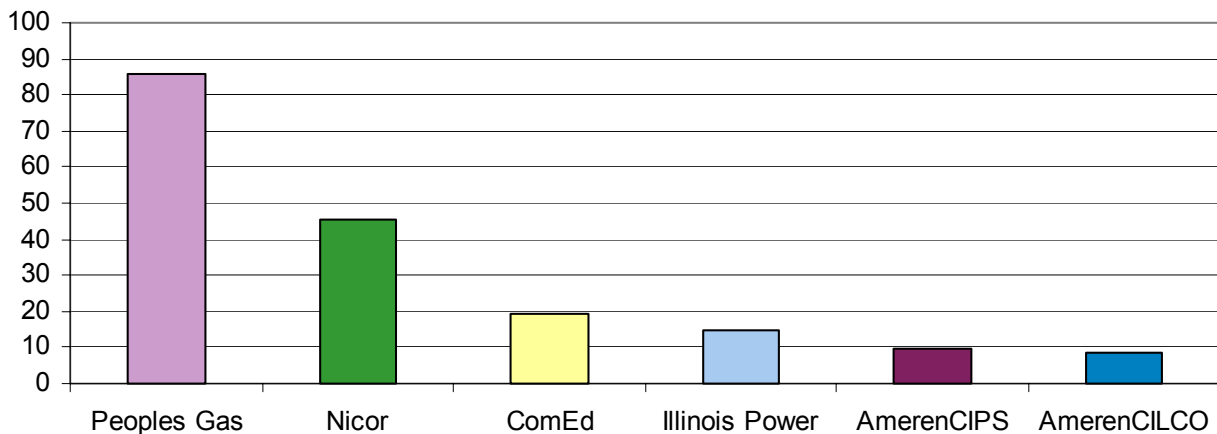
Inquiries and complaints included in the “Energy Industry” category are those concerning companies that provide only electric service, companies that provide only gas service, and companies that provide both gas and electric service.

Energy Industry Contacts



The graph above illustrates the number of inquiries and complaints that were received each year by CSD for the electric and gas companies from 1999 through 2003.

Inquiries/Complaints per 10,000 Customers 2003



The graph above illustrates the number of inquiries/complaints received per 10,000 customers for the major companies in the energy industry. Peoples Gas led in the number of calls related to billing, estimated meter readings, termination, and payment arrangements.

2003 ENERGY INQUIRIES/COMPLAINTS FOR SMALLER ELECTRIC AND GAS COMPANIES

Company	Customers*	Contacts
North Shore	149,100	680
AmerenUE	65,600	84
MidAmerican	83,500	48
Atmos Energy	23,400	46
Interstate	12,000	5
Mt. Carmel	5,600	3
Illinois Gas	10,300	2

*Estimated Number

The complaint and inquiry volume for electric and gas companies with less than 150,000 customers is shown in the chart above, beginning with the utility with the largest volume of contacts.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following table compares the energy companies' justified complaints of 2002 to those in 2003. Only energy companies with more than 50 complaints are included in the table. The companies are listed in descending order, beginning with the company that has the largest percentage of justified complaints in 2003.

	2002 Complaints			2003 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Illinois Power	52	791	6%	65	609	11%
AmerenUE	1	55	2%	6	64	9%
AmerenCILCO	5	127	4%	10	114	9%
Peoples Gas	218	3,228	7%	460	4,924	9%
ComEd	499	5,218	9%	462	5,651	8%
North Shore	7	85	8%	9	115	8%
Nicor	111	1,653	7%	162	2,243	7%
AmerenCIPS	6	237	2%	11	212	5%

RESPONSE TIME

The following table shows a comparison of the average response time for energy companies during 2002 and 2003. Response time is the number of days the utility takes to respond to CSD. The companies shown are those that received 50 or more investigative complaints during 2003. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The companies are listed alphabetically.

	2002 Response Time (in Days)	2003 Response Time (in Days)	Change in Days (2002 to 2003)
AmerenCILCO	9.5	13.8	4.3
AmerenCIPS	10.9	11.8	0.9
ComEd	9.0	10.1	1.1
Illinois Power	16.8	16.7	-0.1
Nicor	19.8	20.3	0.5
Peoples Gas	24.1	25.6	1.5

Nicor and Peoples Gas successfully worked with Staff to reduce their response time in the fourth quarter of 2003.

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The table below compares the general problems categories of the total number of inquiries/complaints that were opened during 2002 and 2003.

Comparison of Problems – 2002 and 2003

	2002	2003
Billing	9,450	9,385
Credit/Deposit	1,158	1,437
Rates	310	7,556
Service	2,894	2,758
Termination	3,040	2,888
Other *	1,377	910

*Includes pilot programs, restructuring, ICC regulations, etc.

TOP 10 ENERGY COMPLAINTS

At the time of closing, when details about the reason for contact are known, more detailed problem codes are added. The following table identifies the top ten energy complaints attributed to these specific codes.

REASON FOR CONTACT (detail problem codes)	NUMBER
Rates- General (Cust Chg, Tax, PGA, Fran, Accs)	6,436
Needs Payment Arrangements	3,087
Termination- Seeking Reconnection	2,022
Questions Responsibility for Account	1,426
Usage- Consumption	972
Deferred Payment Arrangements	950
Reconnection or Disconnection	890
Rates- Specif. (Seasnl, Demand, Grain, Transpt)	796
Accuracy of Bill- Meter	793
Credit/Deposits/Deposit Request	712

ENERGY INDUSTRY CONTACTS

The tables below illustrate the breakdown of the issues raised by consumers. As the counselors close complaints, they are categorized by the general headings of billing, service, rates, etc. They are then further broken down into the more specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2003.

BILLING	CONTACTS
Payment Arrangements	4,544
Responsibility for Account	1,426
Usage/Consumption	972
Meter	793
Payment- Other	503
Bill/Statement	435
Payment Posting Problem	231
Accuracy	204
Disputes Rate Class/Plan	130
Tampering	71
Repair/Service	40
Extension/Installation Dispute	36
SUBTOTAL	9,385

CREDIT/DEPOSIT	CONTACTS
Deposit Requirement	712
Service Denial	516
Deposit Amount/Conditions	173
Deposit Administration	36
SUBTOTAL	1,437

RATES	CONTACTS
Rate Structure	7,264
Opinion- Rate in Effect	174
Inquiry	107
Proposed Rate Change	11
SUBTOTAL	7,556

SERVICE	CONTACTS
Timeliness- General	975
Timeliness of Reconnection or Disconnection	893
Conduct of Personnel	321
Extension/Availability	206
Interruptions	170
Service Quality	86
Safety	70
Equipment Problems	37
SUBTOTAL	2,758

TERMINATION – SEEKING RECONNECTION	CONTACTS
Seeks Assistance	2,022
Questions Regarding Procedures	263
Medical Certificate	239
Other	159
Tampering	84
Terminated in Error	73
Disputed Bill/Deposit	48
SUBTOTAL	2,888

OTHER	CONTACTS
Other	743
ICC Actions or Regulations	94
No Jurisdiction	37
Issues- Oriented Contacts	36
SUBTOTAL	910

TOTAL NUMBER OF CLOSED ENERGY CONTACTS: 24,934

RESIDENTIAL ELECTRIC SUPPLIER CHOICE

Since May 2002, residential customers have been eligible to choose their electric supplier. Electric public utilities have the necessary tariffs and systems in place to provide delivery services; however, no suppliers have entered the market to serve residential customers. The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois

RESIDENTIAL NATURAL GAS SUPPLIER CHOICE

Unlike the electric industry, which by law restructured the state's electric industry to promote customer choice and create a competitive marketplace, natural gas supplier choice is not mandated. Nicor Gas, North Shore Gas, and Peoples Gas voluntarily offer programs that allow their residential customers to choose their gas supplier. Customer participation is also voluntary; eligible customers are free to choose an alternative gas supplier or remain with the utility and receive bundled (delivery and supply) gas service.

The Commission has approved the choice programs and the utility tariffs that state the terms and conditions of the service. The Commission also required utilities offering residential choice to develop consumer education material. The tariffs governing suppliers include standards of conduct for participating alternative suppliers.

After the choice programs began, Section 19 was added to the Public Utilities Act. Under this new law, alternative gas suppliers offering service to residential and small commercial retail customers were required to be certified by the Commission. In addition to certification, the law also provides for consumer protections and Commission oversight including consumer complaints.

Nicor gas reports that approximately 147,299 residential customers participated in the Customer Select Program during 2003; Peoples and North Shore indicate that nearly 7,000 residential customers participated in their Choices For You Program. A list of certified suppliers and other information can be found on the Commission's web site: www.icc.state.il.us

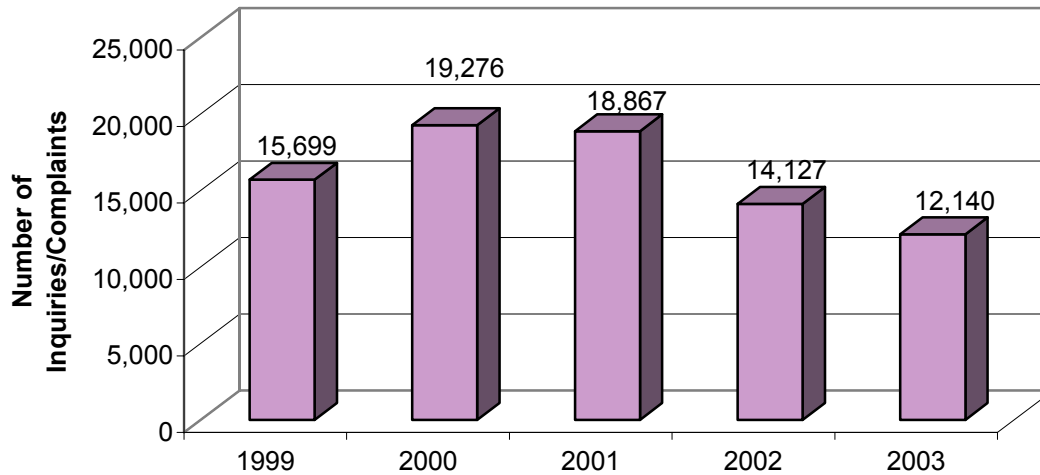
2003 ENERGY INQUIRIES/COMPLAINTS FOR ALTERNATIVE GAS SUPPLIERS

Company	Contacts
Dominion Retail	20
MXEnergy	64
Nicor Energy Services	55
Peoples Energy Services	10

The chart above shows the number of contacts regarding alternative gas suppliers recorded by CSD during 2003. These contacts concerning residential consumers include inquiries and complaints. Complaints included such issues as failure to abide by the terms of the agreement or contract, unauthorized customer switch (slamming), protests regarding supplier marketing methods, and misleading marketing practices.

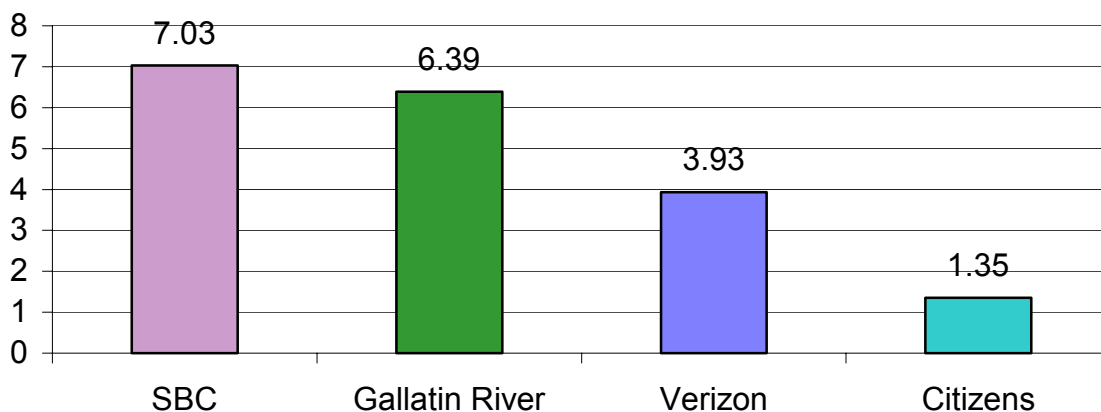
TELECOMMUNICATIONS INDUSTRY

Telecommunications Industry Contacts



The graph above shows the number of inquiries and complaints concerning the telecommunications industry that were received each year by CSD from 1999 through 2003. In 2003 telecommunications complaints declined due to fewer calls from consumers with service and billing related issues.

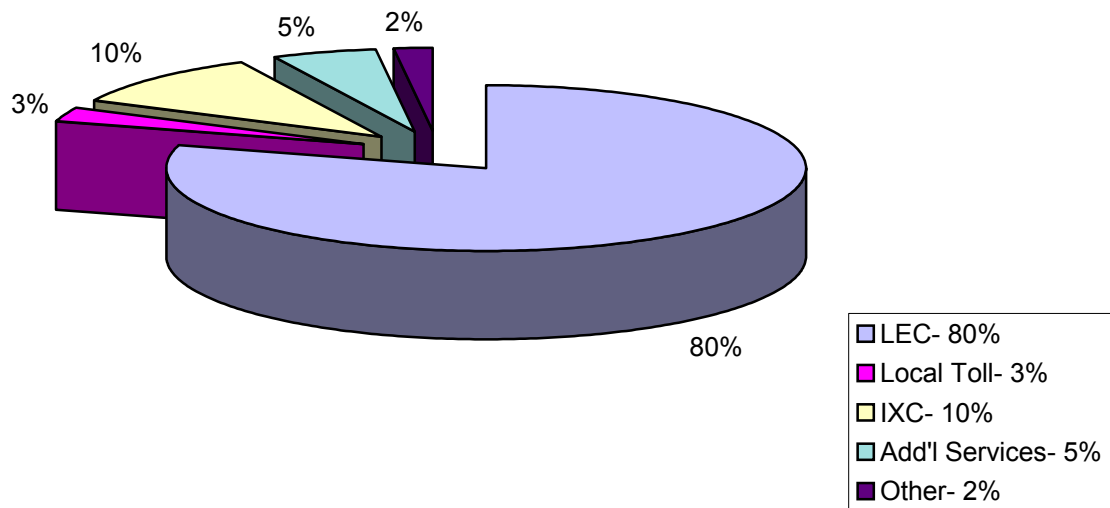
Inquiries/Complaints per 10,000 Access Lines 2003



The above graph does not include combination carriers (resale and facilities based). This graph illustrates the number of inquiries and complaints per 10,000 access lines

that were received for major local exchange carriers for 2003. Access lines include the number of residential and business phone lines used.

2003 Telecommunications Inquiries/Complaints by Company Type



Definitions for the above graph:

LEC – Local Exchange Carrier – a company that provides local exchange service

Local Toll – Local calls that are made to locations outside the local exchange boundary, but within the Market Service Area (MSA) otherwise known as the Local Access Transport Area (LATA)

IXC – Inter-exchange Carrier – a company that provides service between exchanges and between Market Service Areas (MSAs), also known as the Local Access Transport Areas (LATAs)

Provider of Additional Services – a company that provides services such as digital subscriber line (dsl), voice mail and calling cards

Other – Includes services such as Cellular/Mobile and Customer-owned Pay Telephones

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following tables compare the telecommunications carriers' justified complaints closed in 2002 to those closed in 2003. The charts are divided by the type of service provided: local exchange carriers, carriers that provide local toll service and those that provide inter-exchange service. The data indicates that the number of justified complaints taken in 2003 concerning local exchange services was higher than those taken in 2002.

The Local Exchange Carrier chart includes those companies that received 50 or more investigative complaints during 2003. The chart for Local Toll Carriers includes companies that received 30 or more investigative complaints. The Inter-Exchange Carrier chart includes companies that received 40 or more investigative complaints. Investigative complaints are those that are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed in descending order beginning with the company that had the largest percentage of justified complaints in 2003.

Local Exchange Carriers

	2002 Complaints			2003 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Sprint*	N/A	N/A	N/A	28	85	33%
Comcast	18	56	32%	313	1,084	29%
21 st Century	89	349	25%	92	318	29%
AT&T	201	824	24%	308	1,088	28%
Z-Tel	44	177	25%	32	114	28%
SureTel	24	97	25%	40	149	27%
McLeod	137	428	32%	41	160	26%
Frontier	7	59	12%	19	90	21%
MCI	406	1,716	24%	240	1,172	20%
SBC	627	3,988	16%	390	2,626	15%
Verizon	42	200	21%	29	201	14%
Global Teldata*	N/A	N/A	N/A	9	82	11%
Midwestern	17	160	11%	9	110	8%

*Less than 50 complaints in 2002

Local Toll Carriers

	2002 Complaints			2003 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
SBC	4	46	9%	7	32	22%
MCI	3	41	7%	10	55	18%
AT&T	7	57	12%	13	89	15%

Inter-Exchange Carriers

	2002 Complaints			2003 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Comcast*	N/A	N/A	N/A	16	43	37%
AT&T	40	258	15%	59	280	21%
Sprint*	N/A	N/A	N/A	7	46	15%
MCI	35	264	13%	30	197	15%

*Less than 40 complaints in 2002

RESPONSE TIME

The following tables compare the average response time for telecommunications carriers during 2003. Response time is the number of days the utility takes to respond to CSD. The Local Exchange Carrier table includes those companies that received 50 or more investigative complaints during 2003. The table for Local Toll Carriers includes companies that received 30 or more investigative complaints. The Inter-Exchange Carrier table includes companies that received 40 or more investigative complaints. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed alphabetically.

Local Exchange Carriers

	2002 Response Time (in Days)	2003 Response Time (in Days)	Change in Days (2002 to 2003)
21 st Century	12.3	18.5	6.2
AT&T	16.1	12.7	-3.4
Comcast	18.6	16.7	-1.9
Frontier	14.1	13.3	-.8
Global Teldata*	N/A	20.2	N/A
MCI	31.7	15.8	-15.9
McLeod	26.5	13.8	-12.7
SBC	12.1	14.1	2
Sprint*	N/A	28.0	N/A
SureTel	12.4	27.0	14.6
Verizon	13.3	15.4	2.1
Z Tel	6.9	14.4	7.5

*Less than 50 complaints in 2002

Complaint response time decreased in 2003 for five companies: AT&T, Comcast, Frontier, MCI and McLeod.

Local Toll Carriers

	2002 Response Time (in Days)	2003 Response Time (in Days)	Change in Days (2002 to 2003)
AT&T	19.9	11.2	-8.7
MCI	45.4	15.0	-30.4

Inter-Exchange Carriers

	2002 Response Time (in Days)	2003 Response Time (in Days)	Change in Days (2002 to 2003)
AT&T	17.3	12.9	-4.4
Comcast**	N/A	15.3	N/A
Sprint*	N/A	37.9	N/A
MCI	39.1	14.6	-24.5

*Less than 40 complaints in 2002

**Data not available in 2002

AT&T and MCI successfully worked with Staff to reduce response time in 2003.

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The following table compares the number of telecommunications inquiries/complaints in each of the general problem categories for the inquiries/complaints that were closed during 2002 and 2003. Billing continues to be the most frequently identified problem. During 2003, the number of inquiries/complaints concerning all categories decreased.

Comparison of Problems – 2002 and 2003

	2002	2003
Billing	5,913	5,780
Credit/Deposit	182	90
Rates	450	363
Service	4,969	3,713
Termination	865	801
Other*	874	670

*Includes operator services, universal service programs, area code changes, etc.

TOP 10 TELECOMMUNICATIONS COMPLAINTS

At the time of closing, when details about the reason for contact are known, more specific codes are added. The following table identifies the top ten telecommunications complaints attributed to these specific codes beginning with the most frequently recorded issue. Billing issues was the leading telecommunications complaint category in 2003. Some service and billing problems experienced by customers can be attributed to the transition to a competitive telecommunications market. Industry improvements are needed to ensure consumers the ability of seamless switching between local exchange carriers. Billing problems include charges for service/feature not ordered and bills issued by both (former and new) carriers following the change of a carrier.

REASON FOR CONTACT (detail problem codes)	NUMBER
Questions Responsibility for Account	1,022
Dispute Rate Class or Plan	934
Reconnection or Disconnection	629
Usage- Consumption	610
Installation of New Service	496
Schedule for Repair	482
Termination- Seeking Reconnection	460
Other Billing Issues	451
Repair/Service	331
Other	330

TELECOMMUNICATIONS INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized by the specific complaint classifications. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2003.

BILLING	CONTACTS
Responsibility for Account	1,022
Dispute- Rate Classification/Plan	934
Accuracy- General	647
Usage/Consumption	610
Payment Arrangements	569
Bill Statement	405
Repair/Service	331
Bill for Feature Not Ordered	324
Posting Problems	324
Disputed Bill by Other Company	304
Payment- General	298
Extension/Installation Dispute	12
SUBTOTAL	5,780

CREDIT/DEPOSIT	CONTACTS
Deposit Amount/Conditions	54
Deposit Administration	19
Service Denial	17
SUBTOTAL	90

RATES	CONTACTS
Rate Structure	165
Rate Inquiry	105
Opinion- Rate in Effect	59
Proposed Rate Change	34
SUBTOTAL	363

SERVICE	CONTACTS
Timeliness of Performed Work	1,863
Conduct of Personnel/Reps	894
Availability of Features & Equipment	336
Quality	266
Service Interruptions	201
Equipment Problems	117
Service Extensions	26
Safety	10
SUBTOTAL	3,713

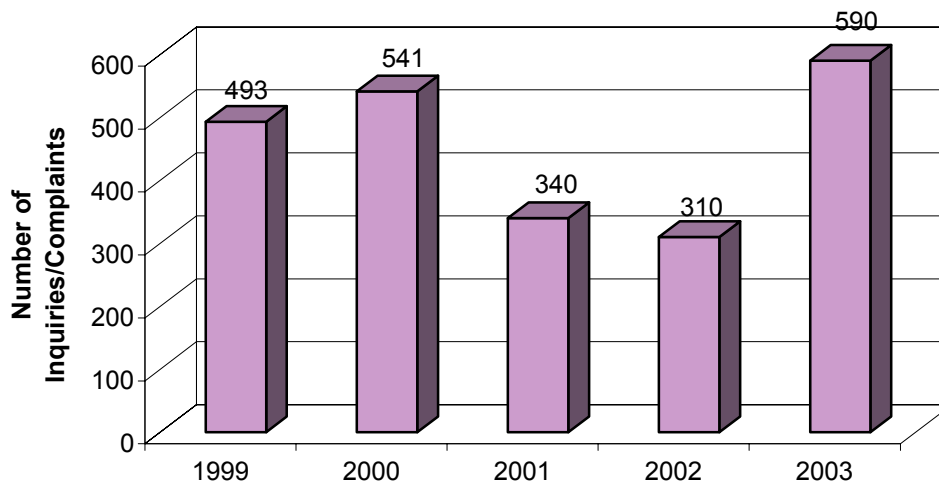
TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	460
Other	109
Disputes	93
Questions Regarding Procedures	79
Medical Certificate	60
SUBTOTAL	801

OTHER	CONTACTS
Issues- Oriented Contacts	539
No Jurisdiction	131
SUBTOTAL	670

TOTAL NUMBER OF CLOSED TELECOMMUNICATIONS CONTACTS:
11,417

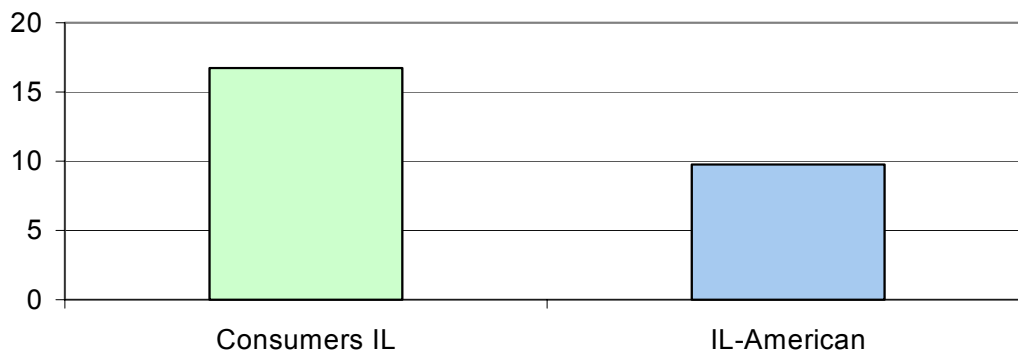
WATER & SEWER INDUSTRY

Water-Sewer Industry Contacts



The chart above illustrates the number of inquiries/complaints that were received each year by CSD for the water/sewer industry from 1999 through 2003. Inquiries/Complaints increased for 2003 due to rate increases for IL-American, Northern IL and Apple Canyon.

**Inquiries/Complaints per 10,000 Customers
2003**



The chart on the previous page shows the number of inquiries and complaints per 10,000 customers that were received for the major companies in the water/sewer industry for 2003.

RESPONSE TIME

The table below shows a comparison of the average response time for those water and sewer utilities that received 20 or more investigative complaints during 2003. Response time is the number of days the utility takes to respond to CSD. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation.

	2002 Response Time (in Days)	2003 Response Time (in Days)	Change in Days (2002 to 2003)
Consumers Illinois	33.6	39.6	6
Illinois-American	18.6	25.9	7.3

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The following table compares the number of water/sewer inquiries/complaints in each of the general problem categories for the inquiries/complaints that were closed during 2002 and 2003.

Comparison of Problems – 2002 and 2003

	2002	2003
Billing	116	143
Credit/Deposit	4	4
Rates	54	317
Service	41	43
Termination	30	34
Other	39	38

WATER & SEWER INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized into specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselor during 2003.

BILLING	CONTACTS
Usage/Consumption	41
Payment Arrangements	30
Accuracy	22
Responsibility for Account	18
Bill Statement	17
Payment/Billing General	14
Extension/Installation Dispute	1
SUBTOTAL	143

CREDIT/DEPOSIT	CONTACTS
Service Denial	3
Deposit Administration	1
SUBTOTAL	4

RATES	CONTACTS
Proposed Rate Change	167
Opinion- Rate in Effect	126
Rate Inquiries	16
Rate Structure	8
SUBTOTAL	317

SERVICE	CONTACTS
Timeliness of Performed Service	20
Service Quality	9
Service Extension/Availability	7
Conduct of Personnel	5
Equipment Problems/Safety/Interruption	2
SUBTOTAL	43

TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	19
Miscellaneous	8
Questions Regarding Procedures	5
Medical Certificate	2
SUBTOTAL	34

OTHER	CONTACTS
No Jurisdiction	21
Other	10
ICC Actions or Regulations	4
Issues- Oriented Contacts	3
SUBTOTAL	38

TOTAL NUMBER OF CLOSED WATER AND SEWER CONTACTS:
579

ACTIVITIES AND PROGRAMS

Consumer Outreach and Education

Consumer Services role in consumer outreach and education expands as the utility industry changes. CSD is available to conduct meetings associated with rate increase requests of small water companies when community interest is expressed. To keep abreast of consumer issues and concerns, CSD Staff is represented on the Chicago Energy Council; the Department of Commerce and Economic Opportunity's Policy Advisory Council; and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Consumer Affairs.

Reorganization and Mergers

Where Commission approval for reorganization and mergers is required, Consumer Services Staff members participate both informally and when necessary through the formal process. Participation by CSD Staff helps ensure that quality customer service is maintained and that communications to customers are stated in plain language and style to minimize customer confusion especially with respect to any changes or decisions customers might be required to make.

Review and Monitoring of Sales and Marketing and Customer Notification

Statements concerning prices, terms, and conditions of service must disclose information accurately and adequately. A supplier must provide written information adequately disclosing prices, terms, and conditions before switching a customer. Formally, at the Commission's direction and informally CSD Staff reviews sales and marketing materials and when appropriate makes recommendations to correct deficiencies and improve material. Staff has been directed by the Commission to review sales and marketing materials in telecommunications and alternative gas supplier cases and in complaint cases filed by telecommunications carriers.

In addition to reviewing materials, CSD Staff reviews sales practices such as the unauthorized change of carrier or supplier (slamming).

Electric Reliability Survey

The Electric Service Customer Choice and Rate Relief Law of 1997 (P.A. 90-561) requires each electric utility or alternative retail electric supplier owning, controlling, or operating transmission and distribution facilities and equipment to conduct a customer survey annually. This survey, conducted by phone, asks a randomly selected group of customers to rate the company on reliability, tree trimming, service quality and pricing among other topics of interest. Complete survey results are provided in each company's annual report and can be found on the Commission's web site. CSD Staff reviewed survey results and developed

a chart of responses to key questions of interest to consumers; the chart can be found on the ICC web site.

Rulemakings

CSD Staff led and/or participated in the rulemaking cases listed below:

14 Illinois Administrative Code

- Part 300 Restricted Call Registry

83 Illinois Administrative Code

- Part 201 Mediation practice
- Part 280 (Revision) Credit and collection procedures for electric, water, sewer utilities
- Part 551 Certification of alternative gas suppliers
- Part 730 (Revision) Standards of service for telecommunications carriers
- Part 731 Wholesale performance measures (telecommunications)
- Part 732 Basic local exchange service quality and customer credits
- Part 733 Provision of advanced telecommunications services by ILECs
- Part 755 Telecommunications access for persons with disabilities
- Part 756 Telecommunications relay services
- Part 757 Telephone assistance programs
- Part 758 Implementation of voluntary funding for the Program to Eliminate the Digital Divide
- Part 773 Pre-subscription of telecommunication carrier

CONSUMER EDUCATION

Consumer Education - Electric Restructuring

In designing the law that restructures the electricity industry in Illinois, lawmakers recognized that consumers would need meaningful information allowing them to evaluate goods and services offered by new marketers and sellers. The law required the Commission to implement and maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options in a competitive electric services market, as well as their rights and responsibilities. As required by Section 16-117 of the Public Utilities Act, a working group formed by the Commission created educational materials to be distributed to electric customers. Utilities and Alternative Retail Electric Suppliers (ARES) are required to send the Commission-approved bill insert in their first mailing to potential customers or prior to executing an agreement or contract with a customer.

In Illinois, electric choice has been implemented in phases. As of December 31, 2000, all non-residential customers became eligible; residential customers became eligible beginning May 1, 2002. Although residential customers have been eligible for choice since May 2002, no suppliers have entered the market to serve residential customers.

The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois that has sections for business and residential consumers containing an overview of the electric service restructuring and customer choices including brochure content in text form as well as the brochures and bill inserts in downloadable formats, a list of suppliers (both certified and pending), frequently asked questions, and other information. The residential web page is available in English and in Spanish. This year the Plug In Illinois web site recorded more than 11,700 "visitors".

CONSUMER ASSISTANCE PROGRAMS

Assistive Telecommunications Equipment Distribution And Telecommunications Relay Service

Through a program designed by the Commission telecommunications carriers provide assistive telecommunications equipment to persons with hearing and speech disabilities or organizations whose primary purpose is serving persons with hearing and/or speech disabilities. The telecommunications carriers also provide a telecommunications relay service (TRS), which links people using assistive equipment and people who use a standard telephone. A Commission approved surcharge is assessed on each subscriber line to offset the costs incurred by the telecommunications carriers.

The distribution program and relay center are administered by the Illinois Telecommunications Access Corporation (ITAC), a not-for-profit corporation which includes all the telecommunications carriers in Illinois. An Advisory Council comprised of 7 members who are participants of the distribution program and TRS users provides input to ITAC as well as to the Commission Staff Liaison.

Consumer Services Division Staff participated in rulemakings revising the 83 Illinois Administrative Codes 755 and 756. Administrative Code 755 governs telecommunications access for persons with disabilities and Administrative Code 756 provides rules for the Telecommunications Relay Service. Administrative Code 755 was revised to initiate a voucher program for additional assistive telecommunications equipment, require that all local telecommunications carriers identify the monthly line subscriber line charge on customer's bills by July 1, 2004, require carriers to submit ITAC contribution payments directly to ITAC as of July 1, 2004 and generally update the rule. Revisions to Part 756 were made

to update the rule and comply with Federal Communications Commission telecommunications relay rules.

Universal Telephone Assistance Program (UTSAP)

Lifeline and Link Up Programs

The FCC requires states to implement Link Up and Lifeline Programs to ensure the delivery of affordable telecommunications service to all Americans, including low-income consumers.

Link Up is a federally funded program that assists households by paying 50% (up to \$30) of the cost of installing local telephone service in their principal place of residence. Lifeline is a federally funded program that provides assistance with the monthly charge for local telephone service.

The Universal Telephone Service Assistance Program ("UTSAP"), funded by voluntary contributions from Illinois telephone consumers, provides supplemental assistance to individuals who receive assistance from the Link Up and Lifeline Programs. The amount of supplemental assistance is reviewed on an annual basis by the Commission according to the level of voluntary contributions.

UTSAP is administered by a not-for-profit group, Universal Telephone Assistance Corporation (UTAC). The UTAC Board of Directors has nine members consisting of five representatives from local exchange companies, two members representing ratepayers, and two members representing low-income consumers.

UTAC had filed a petition with the Illinois Commerce Commission requesting that the Commission determine the amount and form of supplemental assistance to be provided by the Illinois local exchange carriers to each eligible subscriber or eligible new subscriber under the Universal Telephone Service Assistance Program. The Commission ordered that the amount paid by qualified Illinois subscribers of eligible telecommunications carriers shall be reduced by \$1.75 to ensure the availability of federal Tier Two matching funds. This was approved by the Commission to become effective January 1, 2004.

The following table shows the number of recipients and voluntary contributions to the program since 1998.

DATE	LINK-UP RECIPIENTS	LIFELINE RECIPIENTS	CONTRIBUTIONS
1998	12,050	55,500	\$922,250
1999	12,200	53,300	\$911,500
2000	13,000	54,000	\$1,000,175
2001	27,453	62,798	\$1,184,130
2002	35,200	280,100	\$928,011
2003	39,478	333,454	\$1,049,150

Illinois Community Technology Fund - Telecommunications

A member of CSD Staff has been an active representative and Secretary of a not-for-profit corporation that administers the Illinois Community Technology Fund (ICTF). The Illinois Commerce Commission established the Community Technology Fund as a condition of the 1999 merger of SBC and Ameritech Illinois to ensure that citizens in rural and low-income areas of the state have access to advanced telecommunications technology. SBC is required to provide funding in the amount of \$1million each year for three years. All grants issued as part of the Community Technology fund have been disbursed in two rounds. The grant cycles for these grants have concluded and these grants are considered closed. The ICTF is currently overseeing the Community Computer Center issued to Midwest Technology Access Group ("MTAG"). Final payment will be issued in July 2004. The ICTF board has decided to issue a state wide survey of community technology centers. A request for proposals was issued in July 2003 to entities seeking to conduct the survey. The contract was awarded in October 2003.

Low Income Home Energy Assistance Program (LIHEAP)

Financial assistance is available to low income households in Illinois for energy bills. A household is eligible if its income is at or below 150% of the federal poverty guideline. The Illinois Department of Commerce and Economic Opportunity administers the program through thirty-five agencies that operate in all Illinois counties. Funding for the program comes from two sources. One source is a federal government block grant through the Department of Health and Human Services. Beginning in January 1998, state funding has been made available as a result of a surcharge, which is added to the electric, and gas bills of all customers of investor owned utilities. Electric cooperatives, municipally owned gas, and electric systems have a choice of whether to assess the surcharge. If the charge is not assessed, the customers do not benefit from the assistance. The amounts, which are collected, are added to the federal LIHEAP funds. A portion of LIHEAP funds is also used for weatherization and program administration.

Program to Foster Elimination of the Digital Divide

This program consists of Voluntary contributions made by customers to the local exchange carriers in Illinois. Grants are awarded through the Department of Commerce and Economic Opportunity to public and private organizations such as schools, libraries, park districts and community based organizations. All contributions go toward providing computer and internet access, provide computer skills training, enrich school programs, and train teachers. Previously the Program required all telecommunications carriers to send yearly notices to customers requesting voluntary contributions. This law was amended on July 24, 2003 to limit the administration of customer notices, the collection and remittance of funds only to local exchange service provider rather than all

telecommunications carriers. For more information visit:
www.commerce.state.il.us

Illinois Restricted Call Registry

Illinois law adopts the National Do-Not-Call Registry, which is managed by the Federal Trade Commission, giving Illinois consumers the benefit of being included in both state and national registries with the convenience of free one-step enrollment. Illinois residential subscribers can register their telephone numbers by internet or telephone according to methods established by the FTC. Since its inception, more than 2,572,500 Illinois consumers have registered. For more information, visit the Illinois Restricted Call Registry web page on the Commission's web site.

PUBLICATIONS AVAILABLE

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. Following is a listing of those, which may be of interest to both utility consumers and individuals needing information on the Commission. Printed copies may be requested by calling Consumer Services toll free number 1 800-524-0795. This and other information is available through the Commission's web site at : www.icc.state.il.us

Consumer Issues and Assistance: describes the services provided by the Consumer Services Division.

Restricted Call Registry: describes registration methods and other information for consumers who want to reduce telephone solicitation calls.

Facts About Consumer Complaints: outlines the two basic levels of complaints, informal and formal, which the Illinois Commerce Commission handles.

Your Quick Reference Guide to Preparing for a Formal Complaint Hearing: is a consumer's "how-to" guide for preparing for a formal complaint hearing with topics such as: setting the hearing date, obtaining witnesses, supplying the necessary documentation, following the hearing procedures, accepting or appealing the Commission's decision, and filing for a rehearing.

ENERGY and WATER/SEWER

InfoCards: (informational postcards) offer consumers practical information pertaining to rules for electric, gas, water/sewer utilities in an easy-to-read, single sheet format. There are seven unique Info Cards that address consumers' rights and responsibilities with regard to: 1. Utility Bills; 2. Payment Plans for Utility Service; 3. Disconnecting Utility Service; 4. Reconnecting Utility Service; 5. Deposits for Utility Service; and 6. Resolving Your Utility Problems. The post card format allows counselors to expeditiously send useful information to consumers.

Understanding Natural Gas Prices: provides an explanation of why prices fluctuate, what charges are regulated, and some energy saving tips.

ELECTRIC RESTRUCTURING

It's Time to Get Plugged In: provides information regarding electric choice for small business customers.

A Residential Consumer's Guide To Electric Service Restructuring: provides information regarding electric choice for residential customers.

Our consumer guides listed above are available in business and residential versions. They contain information about electric service restructuring in Illinois. The brochures explain what is changing, what consumers will be choosing, when options are available, and a glossary of key terms. They are available in English and Spanish. Both brochures can be downloaded from our web site.

TELECOMMUNICATIONS

Local Telephone Service Your Rights and Responsibilities as a Consumer: provides an overview of consumer rights and responsibilities related to local exchange service.

Smart Shoppers Guide to Using Phones Away from Home: is a postcard that provides the maximum rates per minute for intrastate calls and the maximum surcharges for making operator-assisted calls. In addition, it explains what consumers can do if they have been overcharged. This is updated annually based on the approved rates.

What You Should Know About Using "900" Numbers: highlights 83 Illinois Administrative Code Part 772 by providing information on pay-per-call services. Included is information about the preamble that information providers must provide and customer rights regarding charges.

HOW TO REACH CSD

Our Staff of Consumer Counselors is available to assist consumers with questions or complaints regarding utility service from 8:30 a.m. to 5:00 p.m., Monday through Friday.

- Toll Free Hotline number is: 1-800-524-0795 (calls initiated within Illinois)
- Toll Free TTY number is: 1-800-858-9277 (calls initiated within Illinois)
- Our facsimile line is: 217-524-6859
- Our mailing address is: 527 East Capitol Avenue, Springfield, Illinois 62701
- An Online Complaint Form is available at: www.icc.state.il.us
- Consumers initiating calls from outside of Illinois, utilities and others with an interest in Illinois regulations may contact the ICC's Consumer Services Division at: 217-782-2024.